

TRADEMARK ASSIGNMENT

Electronic Version v1.1
Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Duane Reade International, LLC		08/07/2009	LIMITED LIABILITY COMPANY: DELAWARE
RECEIVING PARTY DATA			
Name:	U.S. Bank National Association, as Collateral Agent		
Street Address:	225 Asylum Street, 23rd Floor		
City:	Hartford		
State/Country:	CONNECTICUT		
Postal Code:	06103		
Entity Type:	Association: UNITED STATES		
PROPERTY NUMBERS Total: 17			
Property Type	Number	Word Mark	
Serial Number:	77854650	DUANE READE DOCTOR ON PREMISES	
Serial Number:	77854649	DR DOCTOR ON PREMISES	
Serial Number:	77790021	LOOKBOUTIQUE	
Serial Number:	77837987	CHRISTMAS IN NEW YORK	
Serial Number:	77816579	DUPLEX DUNKERS	
Serial Number:	77816539	STUDIO DUNKERS	
Serial Number:	77813166		
Serial Number:	77813163		
Serial Number:	77813158		
Serial Number:	77792380	LOOKNY	
Serial Number:	77792363	LOOKBOUTIQUE	
Serial Number:	77792404	LOOKNY	
Serial Number:	77791837	LOOKNY	
Serial Number:	77792468	PREVAIL	

CH \$440.00 77854650

900147197

TRADEMARK
REEL: 004093 FRAME: 0150

Serial Number:	77792459	PREVAIL
Serial Number:	77790086	CLEARREADE
Serial Number:	77777728	PREVAIL

CORRESPONDENCE DATA

Fax Number: (404)527-4198

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: (404) 527-4986

Email: fbenjamin@mckennalong.com

Correspondent Name: Frank S. Benjamin

Address Line 1: McKenna Long & Aldridge, LLP

Address Line 2: 303 Peachtree Street, Suite 5300

Address Line 4: Atlanta, GEORGIA 30308

NAME OF SUBMITTER:	Frank S. Benjamin
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Signature:	/fsb/
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Date:	11/09/2009
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Total Attachments: 8

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EXECUTION COPY

SECURITY AGREEMENT

dated as of August 7, 2009

among

THE LOAN PARTIES FROM TIME TO TIME PARTY HERETO

and

**U.S. BANK NATIONAL ASSOCIATION,
as Collateral Agent**

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effect in a jurisdiction other than New York, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"US Subsidiary" means with respect to any Person each Subsidiary of such Person which, at the time of determination, is incorporated in or organized under the Laws of the United States of America, any State thereof or the District of Columbia, and "US Subsidiaries" means all of them, collectively.

Section 1.04 Terms Generally. Terms defined in the introductory paragraphs hereof and the definitions in Section 1.03 shall apply equally to both the singular and plural forms of the terms defined. Wherever the context may require, any pronouns shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless otherwise stated herein or the context shall otherwise require. Unless otherwise expressly provided herein, the word "day" means a calendar day.

ARTICLE II

SECURITY INTERESTS

Section 2.01 Grant of Security Interests. To secure the due and punctual payment of all Finance Obligations, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing or due or to become due, in accordance with the terms thereof and to secure the performance of all of the obligations of each Loan Party hereunder and the other Loan Parties hereunder and under the other Finance Documents, each Loan Party hereby grants to the Collateral Agent for the benefit of the Finance Parties a security interest in, and each Loan Party hereby pledges and assigns to the Collateral Agent for the benefit of the Finance Parties, all of such Loan Party's right, title and interest in, to and under the following, whether now owned or existing or hereafter acquired, created or arising, whether tangible or intangible, and regardless of where located (other than any item which on any date constitutes an Excluded Contract or Excluded Equipment) (all of which are herein collectively called the "Collateral"):

- (i) all Receivables;
- (ii) all Inventory;
- (iii) all General Intangibles;
- (iv) all Intellectual Property;

(v) all Documents and all Supporting Obligations of any kind given by any Person with respect thereto;

(vi) all Equipment;

(vii) all Investment Property and all Supporting Obligations of any kind given by any Person with respect thereto;

(viii) all Assigned Agreements;

(ix) all Deposit Accounts;

(x) the Collateral Accounts, all cash and other property deposited therein or credited thereto from time to time, the Liquid Investments made pursuant to Section 2.07 and other monies and property of any kind of any Loan Party maintained with or in the possession of or under the control of the Collateral Agent;

(xi) all books and records (including, without limitation, customer lists, credit files, computer programs, printouts and other computer materials and records) of each Loan Party pertaining to any of the Collateral; and

(xii) all Proceeds of all or any of the Collateral described in clauses (i) through (xi) hereof;

provided, however, that, the Collateral shall not include (i) any property or assets owned by any Loan Party that is a Foreign Subsidiary, (ii) any voting security that is issued by a Foreign Subsidiary (that is a corporation for United States federal income tax purposes) and owned by any Loan Party, if and to the extent that the inclusion of such voting security in the Collateral would cause the Collateral pledged by such Loan Party hereunder or under any other Finance Document to include in the aggregate more than 65% of the total combined voting power of all classes of voting securities of such Foreign Subsidiary, (iii) assets securing Purchase Money Obligations or Capital Lease Obligations permitted to be incurred pursuant to the Indenture and all Term Loan Agreements, if any, (iv) any Capital Stock and other securities of each Subsidiary of DRI to the extent that the pledge of such Capital Stock or other securities to secure the Finance Obligations would cause such Subsidiary to be required to file separate financial statements with the Securities and Exchange Commission pursuant to Rule 3-16 of Regulation S-X (as in effect from time to time) of the Securities and Exchange Commission, (v) any Capital Stock or other securities of any Person that becomes a Guarantor after the Issue Date that, together with all other such Guarantors created, acquired or invested in after the Issue Date, have a collective Fair Market Value of less than \$30,000,000 and (vi) any proceeds or products from any and all of the foregoing unless such proceeds or products would otherwise constitute Collateral.

Notwithstanding the foregoing, if granting or perfecting any Lien to secure the Finance Obligations on any Collateral (i) cannot be granted or perfected under applicable law, none of DRI, Duane Reade or the Guarantors will be required to grant or

Obligations shall in no way be affected or diminished by reason of the fact that such Collateral may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to such Loan Party.

Section 4.11 Information Regarding Collateral. Such Loan Party will, promptly upon request, provide to the Collateral Agent all information and evidence it may reasonably request concerning the Collateral to enable the Collateral Agent to enforce the provisions of this Agreement.

Section 4.12 Covenants Regarding Intellectual Property. Except in respect of subparagraphs (a), (b), (c), (e) and (f) below where the failure to do so could not reasonably be expected to have a Material Adverse Effect:

(a) Such Loan Party (either itself or through licensees) will, for each Patent, not do any act, or omit to do any act, whereby any Patent that is material to the conduct of such Loan Party's business may become invalidated or dedicated to the public, and shall continue to mark any products covered by a Patent as required by the patent laws.

(b) Such Loan Party (either itself or, if permitted by Law, through its licensees or its sublicensees) will, for each Trademark material to the conduct of such Loan Party's business, (i) maintain such Trademark in full force free from any claim of abandonment or invalidity from non-use, material alteration, naked licensing or genericide, (ii) maintain the quality of products and services offered under such Trademark in a manner substantially consistent with or better than the quality of such products and services as of the date hereof, (iii) display such Trademark with proper notice, including notice of federal registration to the extent permitted by applicable Law and consistent with past practice, (iv) not knowingly use or knowingly permit the use of such Trademark in violation of any third party rights, (v) not permit any assignment in gross of such Trademark and (vi) allow the Collateral Agent and its designees the right, at any time and from time to time, to inspect such Loan Party's premises and to examine and observe such Loan Party's books, records and operations, including, without limitation, its quality control processes, upon reasonable notice and at such reasonable times and as often as may be reasonably requested.


(c) Such Loan Party (either itself or through licensees) will, for each work covered by a Copyright material to the conduct of its business, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice.

(d) Such Loan Party shall promptly notify the Collateral Agent if it knows or has reason to know that any Patent, Trademark or Copyright (or any application or registration relating thereto) material to the conduct of its business may become abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court, other than ordinary course United States Patent and Trademark Office actions) regarding such Loan Party's ownership of any

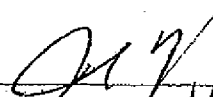
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first written above.

LOAN PARTIES:

DUANE READE HOLDINGS, INC.


By: 
Name: John R. Henry
Title: VP & CFO

DUANE READE INC.


By: 
Name: John R. Henry
Title: VP & CFO

DUANE READE, a New York General Partnership

By: Duane Reade Inc., a General Partner

By: 
Name: John R. Henry
Title: VP & CFO

By: DRI I Inc., a General Partner

By: 
Name: John R. Henry
Title: VP & CFO

[Signature Page to Security Agreement]

DRI I INC.

By: 

Name:

Title:

DUANE READE INTERNATIONAL, LLC

By: 

Name:

Title:

Joseph C. Magnacca

Manager

DUANE READE REALTY, INC.

By: 


Name:

Title:

{Signature Page to Security Agreement}

COLLATERAL AGENT:

U.S. BANK NATIONAL ASSOCIATION,
as Collateral Agent

By: 
Name: Susan C. Merker
Title: Vice President

Attention: Susan C. Merker
Telephone: (860) 241-6815
Telecopier: (860) 241-6897

[Signature Page to Pledge Agreement]